GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA

UNSTARRED QUESTION NO:1596
ANSWERED ON:04.03.2016
Price of Drugs
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Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) the details of the percentage increase in the prices of different drugs during the last three years and the current year and the mechanism for controlling drug prices in the country;

(b) whether the retail price of some of the drugs is several times higher than their production cost affecting the patients of cancer, heart, kidney and liver illnesses, if so, the details thereof and the reasons therefor;

(c) whether the price of drugs are fixed by private companies which is much higher than their actual cost, if so, the details thereof; and

(d) the steps being taken by the Government to check this practice and minimise drug manufacturing cost?

Answer

ANSWER
THE MINISTER OF HEALTH AND FAMILY WELFARE
(SHRI JAGAT PRAKASH NADDA)
(a): National Pharmaceuticals Pricing Authority (NPPA) has informed that it fixes the ceiling prices of medicines listed in the First Schedule of the Drugs (Prices Control) Order, 2013 on market based pricing methodology. NPPA has, accordingly, fixed the ceiling prices of 530 scheduled medicines. NPPA has further informed that the prices of the Scheduled medicines decreased after these were fixed under the provisions of the DPCO for the first time and change in the price of such drugs is linked to the change in Wholesale Price Index. This increase was 6.32% w.e.f. 01.04.2014, and 3.849% w.e.f. 01.04.2015. Further, the maximum increase in retail price of non-scheduled drug formulations could be 10% of the MRP during preceding 12 months.

(b) to (d): NPPA follows a market based price regime instead of cost based system as per Drug Pricing Policy, 2012. The details regarding the actual cost of manufacturing drugs are as such not required to be maintained by NPPA.